

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

**Statement Of Comprehensive Income
For the Financial Year Ended 30 June 2021
(The figures have not been audited)**

	Note	Individual Quarter 3 months ended		Change Favourable/ (Unfavourable)		Year-To-Date 12 months ended		Change (Unfavourable)/ Favourable	
		30.06.21 RM'000	30.06.20 RM'000	RM'000	%	30.06.21 RM'000	30.06.20 RM'000	RM'000	%
Revenue		5,004	4,978	26	1	6,920	7,222	(302)	-4
Direct costs		(41)	(31)	(10)	-32	(128)	(128)	0	0
Gross profit		<u>4,963</u>	<u>4,947</u>	<u>16</u>	<u>0</u>	<u>6,792</u>	<u>7,094</u>	<u>(302)</u>	<u>-4</u>
Fair value gain on investment		195	568	(373)	-66	16	656	(640)	-98
Fair value gain/(loss) on investment properties		3,612	(1,007)	4,619	459	3,612	(1,007)	4,619	459
Foreign exchange loss		(14)	(31)	17	55	(10)	(12)	2	17
Depreciation		(3)	(8)	5	62.50	(12)	(12)	-	0
Administrative expenses		(446)	(364)	(82)	-23	(1,607)	(1,609)	2	0
Profit from operations		<u>8,307</u>	<u>4,105</u>	<u>4,202</u>	<u>102</u>	<u>8,791</u>	<u>5,110</u>	<u>3,681</u>	<u>72</u>
Share of profit/(loss) of associate		<u>5,131</u>	<u>2,656</u>	<u>2,475</u>	<u>93</u>	<u>11,645</u>	<u>(2,286)</u>	<u>13,931</u>	<u>609</u>
Profit before tax	20	<u>13,438</u>	<u>6,761</u>	<u>6,677</u>	<u>99</u>	<u>20,436</u>	<u>2,824</u>	<u>17,612</u>	<u>624</u>
Income tax expense	21	<u>(52)</u>	<u>(93)</u>	<u>41</u>	<u>44</u>	<u>(174)</u>	<u>(132)</u>	<u>(42)</u>	<u>-32</u>
Profit after tax		<u><u>13,386</u></u>	<u><u>6,668</u></u>	<u><u>6,718</u></u>	<u><u>101</u></u>	<u><u>20,262</u></u>	<u><u>2,692</u></u>	<u><u>17,570</u></u>	<u><u>653</u></u>
<u>Other comprehensive (loss)/income</u>									
Fair value (loss)/gain on investments		(2,454)	16,609	(19,063)	-115	24,190	(54,259)	78,449	145
Share of other comprehensive income/(loss) of associate		119	3,343	(3,224)	-96	1,412	(5,083)	6,495	128
Foreign currency translation		348	5,046	(4,698)	-93	1,855	1,259	596	47
Other comprehensive (loss)/income for the year, net of tax		<u>(1,987)</u>	<u>24,998</u>	<u>(26,985)</u>	<u>-108</u>	<u>27,457</u>	<u>(58,083)</u>	<u>85,540</u>	<u>147</u>
Total comprehensive income/(loss) for the year		<u><u>11,399</u></u>	<u><u>31,666</u></u>	<u><u>(20,267)</u></u>	<u><u>-64</u></u>	<u><u>47,719</u></u>	<u><u>(55,391)</u></u>	<u><u>103,110</u></u>	<u><u>186</u></u>
Earnings per share									
attributable to equity holders of the Company:									
Basic (Sen)	26(a)	10.82	5.39			16.37	2.18		
Diluted (Sen)	26(b)	<u>10.82</u>	<u>5.39</u>			<u>16.37</u>	<u>2.18</u>		

The statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

Statement of Financial Position**As at 30 June 2021**

	(Unaudited)	(Audited)
	As at	As at
	30.06.21	30.06.20
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	8	20
Investment properties	32,720	28,927
Investment in associate	160,533	147,828
Investments	229,580	204,425
	<u>422,841</u>	<u>381,200</u>
Current assets		
Sundry receivables	143	431
Prepayments	79	78
Cash and bank balances	64,261	59,273
	<u>64,483</u>	<u>59,782</u>
TOTAL ASSETS	<u>487,324</u>	<u>440,982</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,670	63,670
Reserves	422,009	375,713
	<u>485,679</u>	<u>439,383</u>
Non-current liability		
Deferred tax liability	452	459
Current liabilities		
Sundry payables	1,023	958
Tax payable	170	182
	<u>1,193</u>	<u>1,140</u>
Total liabilities	<u>1,645</u>	<u>1,599</u>
TOTAL EQUITY AND LIABILITIES	<u>487,324</u>	<u>440,982</u>

The statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

Statement of Changes in Equity**For the Financial Year Ended 30 June 2021**

(The figures have not been audited)

	← Non-Distributable			→ Distributable		
	Share Capital RM'000	Share of Associated Company Reserves RM'000	Fair value Reserves RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance at 1 July 2020	63,670	82,276	74,736	75,275	143,426	439,383
Total comprehensive income for the year	-	1,412	24,190	1,855	20,262	47,719
Transfer of reserve upon disposal of investment	-	-	(24)	(174)	198	-
Transfer of reserve upon compulsory land acquisition by associate	-	(2,000)	-	-	2,000	-
Transfer of reserve upon disposal of investment by associate	-	(835)	-	-	835	-
Dividends	-	-	-	-	(1,423)	(1,423)
Balance at 30 June 2021	<u>63,670</u>	<u>80,853</u>	<u>98,902</u>	<u>76,956</u>	<u>165,298</u>	<u>485,679</u>
Balance at 1 July 2019	63,670	87,359	128,995	74,016	142,466	496,506
Total comprehensive (loss)/income for the year	-	(5,083)	(54,259)	1,259	2,692	(55,391)
Dividends	-	-	-	-	(1,732)	(1,732)
Balance at 30 June 2020	<u>63,670</u>	<u>82,276</u>	<u>74,736</u>	<u>75,275</u>	<u>143,426</u>	<u>439,383</u>

The statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Statement of Cash Flows
For the Financial Year Ended 30 June 2021

(The figures have not been audited)

	12 months ended	
	30.06.21	30.06.20
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	20,436	2,824
Adjustments for:		
Depreciation	12	12
Dividend income	(5,574)	(5,544)
Unrealised foreign exchange loss	10	15
Interest income	(467)	(807)
Share of (profit)/loss of associated company	(11,645)	2,286
Fair value gain on investment	(16)	(656)
Fair value (gain)/loss of investment properties	(3,612)	1,007
	<hr/>	<hr/>
Operating cash flows before working capital changes	(856)	(863)
Receivables	155	(158)
Prepayments	(1)	4
Payables	59	(27)
	<hr/>	<hr/>
Cash flows used in operations	(643)	(1,044)
Taxes paid	(195)	(144)
Taxes refunded	-	20
	<hr/>	<hr/>
Net cash flows used in operating activities	<u>(838)</u>	<u>(1,168)</u>
INVESTING ACTIVITIES		
Purchase of investments	-	(14,370)
Interest received	714	771
Dividends received	5,925	5,896
Proceeds from disposal of investment	200	-
Addition of fixed deposits	(469)	(377)
Purchase of plant and equipment	-	(27)
	<hr/>	<hr/>
Net cash flows generated from/(used in) investing activities	<u>6,370</u>	<u>(8,107)</u>
FINANCING ACTIVITY		
Dividends paid, representing net cash flow used in financing activity	<u>(1,423)</u>	<u>(1,732)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,109	(11,007)
EFFECTS OF EXCHANGE RATE CHANGES	409	287
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	18,801	29,521
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 27)	<u>23,319</u>	<u>18,801</u>

The statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements of the Economic Entity for the financial year ended 30 June 2021 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

The interim financial statements have been prepared on a historical cost basis, except for investment properties and certain investments that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Significant accounting policies

Changes in accounting policies

The accounting policies and methods of computation adopted by the Economic Entity in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2020 except for the adoption of the amended FRSs and annual improvements which are relevant to the Economic Entity's operations with effect from 1 July 2020 as set out below:

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 101 and 108: Definition of Material

Amendments to references to the Conceptual Framework in MFRS Standards

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendment to MFRS 16: Covid-19-Related Rent Concessions

The adoption of the above new standards, IC Interpretation and amendments did not have any significant impact on the financial statements

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2020 was not qualified.

4. Segmental Information

The Economic Entity is principally involved in long-term investments. Hence no operating segment information is provided.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 2021.

6. Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter results.

7. Comments about Seasonal or Cyclical Factors

The principal business operations of the Economic Entity are not affected by seasonal or cyclical factors.

8. Dividends Paid

In respect of the financial year ended 30 June 2020, as reported in the directors' report of that year, the following cash dividends were paid during the financial year ended 30 June 2021:

	Amount	Net dividend per share
	RM	Sen
First and final tax exempt (single tier) dividend	1,237,473	1.00
Bonus tax exempt (single tier) dividend	185,621	0.15
	<u>1,423,094</u>	<u>1.15</u>

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities for the financial year ended 30 June 2021.

10. Changes in Composition of the Economic Entity

There were no changes in the composition of the Economic Entity for the financial year ended 30 June 2021.

11. Capital Commitments

There are no commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2021.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2021.

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	30.06.21	30.06.20	30.06.21	30.06.20
	RM'000	RM'000	RM'000	RM'000
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	241	160	876	870
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest and Mugana Kerisnan A/L Karpiah is a common director (recurrent)	15	15	60	50
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	85	20	322	253
Administration and support services and property management payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	96	12	124	40

14. Subsequent Events

There were no material events subsequent to the end of the current quarter.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

15. Fair Value Hierarchy

The Economic Entity uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.06.21				
Investments	211,851	3,461	-	215,312
Investment properties	-	-	32,720	32,720
	<u>211,851</u>	<u>3,461</u>	<u>32,720</u>	<u>248,032</u>
30.06.20				
Investments	186,708	3,424	-	190,132
Investment properties	-	-	28,927	28,927
	<u>186,708</u>	<u>3,424</u>	<u>28,927</u>	<u>219,059</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial year and the comparative year. There was no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

16. Performance Review

The Economic Entity's revenue of RM5.00 million for the current quarter was slightly higher than last year's corresponding quarter's RM4.98 million despite lower interest income. The increase in revenue was mainly due to higher rental income. Last year's corresponding quarter's lower rental income was mainly due to rental waiver given to the tenant of a property in Singapore during the various phases of the Covid-19 pandemic. As for the current financial year, revenue of RM6.92 million was reported. This was lower than last year's RM7.22 million, mainly due to lower interest income. Rental income remained the same in SGD currency for the current and previous financial year.

The Economic Entity posted an after-tax profit of RM13.39 million and RM20.26 million for the current quarter and financial year respectively. These were higher than last year's corresponding quarter of RM6.67 million and last financial year of RM2.69 million, mainly due to:-

- 1) The revaluation of its investment properties was a fair value gain of RM3.61 million for the current financial year while it was a loss of RM1.01 million a year ago.
- 2) Share of profit of associate for the current quarter was RM5.13 million which was significantly higher than last year's corresponding quarter's profit of RM2.66 million. As for the current financial year, share of the financial results of the associate was a profit of RM11.65 million while it was a loss of RM2.29 million during last year.

However, revaluation on its fair value through profit or loss investment for the current quarter and financial year were gains of RM195,000 and RM16,000 respectively which were lower than last year's corresponding quarter's gain of RM568,000 and last financial year's gain of RM656,000.

During the current quarter, the Economic Entity posted a total other comprehensive loss of RM1.99 million as compared to the gain of RM25.00 million reported during the corresponding quarter of a year ago. This was mainly due to the revaluation of its investments at fair value through other comprehensive income ("FVTOCI") for the current quarter was a loss of RM2.45 million while it was a gain of RM16.61 million reported during last year's corresponding quarter. Share of other comprehensive income of associate for the current quarter was RM119,000 which was lower than last year's corresponding quarter's income of RM3.34 million. In addition, foreign currency translation for the current quarter was a gain of RM348,000 as compared to last year's corresponding quarter's gain of RM5.05 million.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

16. Performance Review (Cont'd)

For the current financial year, the Economic Entity posted total other comprehensive income of RM27.46 million while it was a loss of RM58.08 million reported during last financial year. This was mainly due to the revaluation of investments at FVTOCI was a gain of RM24.19 million for the current financial year while a loss of RM54.26 million was reported a year ago. Share of other comprehensive income of associate for the current financial year was RM1.41 million while it was a loss of RM5.08 million a year ago. In addition, foreign currency translation for the current financial year was a gain of RM1.86 million which was higher than last year's gain of RM1.26 million.

17. Comment on Material Change in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

	Current Quarter 30.06.21 RM'000	Preceding Quarter 31.03.20 RM'000	Change (Unfavourable)/ Favourable/ RM'000	%
Revenue	5,004	350	4,654	1,330
Operating profit/(loss)	8,307	(189)	8,496	4,495
Share of profit/(loss) of associate	5,131	(811)	5,942	733
Profit/(Loss) before tax	13,438	(1,000)	14,438	1,444
Profit/(Loss) after tax	13,386	(1,055)	14,441	1,369
Profit/(Loss) after tax attributable to the equity holders of the company	13,386	(1,055)	14,441	1,369

The Economic Entity posted a pre-tax profit of RM13.44 million for the current quarter while it was a pre-tax loss of RM1.00 million during the immediate preceding quarter. This was mainly due to:-

- 1) Revenue of RM5.00 million was achieved during the current quarter while the immediate preceding quarter's was RM350,000. This was mainly due to the receipt of RM4.65 million as dividend income during the current quarter while there was none during the immediate preceding quarter.
- 2) Revaluation on its fair value through profit or loss investment for the current quarter was a gain of RM195,000 while it was a loss of RM121,000 for the immediate preceding quarter.
- 3) The revaluation of its investment properties was a fair value gain of RM3.61 million for the current quarter while there was none during the immediate preceding quarter.
- 4) Share of associate's financial result was a profit of RM5.13 million for the current quarter while it was a loss of RM811,000 during the immediate preceding quarter.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

18. Commentary on Prospects

The Economic Entity's results for the new financial year ending 30 June 2022 will be dependent on rental income, dividend income receivable from investments, the effect of exchange rate fluctuations, financial performance of the associate and market value of its investments.

Rental income may be impacted for the financial year ending 30 June 2022 due to the Covid-19 pandemic.

The results of the associated company will be affected by plantation contribution and market valuation of its investments.

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit before Tax

Profit for the year is arrived after (crediting)/charging:

	Individual Quarter		Year-To-Date	
	30.06.21	30.06.20	30.06.21	30.06.20
	RM'000	RM'000	RM'000	RM'000
Interest income	(113)	(203)	(467)	(807)
Other income including investment income	(4,648)	(4,614)	(5,574)	(5,544)
Fair value gain on investment	(195)	(568)	(16)	(656)
Depreciation	3	8	12	12
Foreign exchange loss	14	31	10	12

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

21. Income Tax Expense

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.21	30.06.20	30.06.21	30.06.20
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	4	3	4	6
Foreign tax	55	101	174	185
	<u>59</u>	<u>104</u>	<u>178</u>	<u>191</u>
Under/(Over) provision in prior years:				
Foreign tax	-	-	3	(48)
	<u>-</u>	<u>-</u>	<u>3</u>	<u>(48)</u>
Deferred tax:				
Relating to origination of temporary differences	(7)	(11)	(7)	(11)
	<u>(7)</u>	<u>(11)</u>	<u>(7)</u>	<u>(11)</u>
Total income tax expense	<u>52</u>	<u>93</u>	<u>174</u>	<u>132</u>

The effective tax rates for the current quarter, current financial year, last year's corresponding quarter and last financial year were lower than the statutory tax rate applicable in Malaysia as certain income were not subject to income tax.

The foreign taxes arose mainly from the rental income from its investment property in Singapore.

22. Corporate Proposals

There was no corporate proposal announced by the Economic Entity as at the date of the issue of this quarterly report.

23. Borrowings

There were no borrowings and debt securities as at 30 June 2021.

24. Changes in Material Litigation

There was no pending material litigation as at the date of the issue of this quarterly report.

25. Dividend Payable

The directors do not recommend any dividend for the current quarter under review.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

26. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the financial year.

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.21	30.06.20	30.06.21	30.06.20
Earnings attributable to ordinary equity holders (RM'000)	<u>13,386</u>	<u>6,668</u>	<u>20,262</u>	<u>2,692</u>
Weighted average number of ordinary shares in issue	<u>123,747</u>	<u>123,747</u>	<u>123,747</u>	<u>123,747</u>
Basic earnings per share (Sen)	<u>10.82</u>	<u>5.39</u>	<u>16.37</u>	<u>2.18</u>

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding as at 30 June 2021.

27. Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	30.06.21	30.06.20
	RM'000	RM'000
Cash and bank balances	64,261	59,273
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(40,942)	(40,472)
Cash and cash equivalents	<u><u>23,319</u></u>	<u><u>18,801</u></u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2021.